inform you that Lok Sabha, at its sitting held on the 5th December, 2002, agreed without any amendment to the Countess of Dufferin's Fund (Repeal) Bill, 2002, which was passed by Rajya Sabha at its sitting held on the 29th November, 2002.

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## MOTION FOR ELECTION TO GOVERNING COUNCIL OF NORTH EASTERN INDIRA GANDHI REGIONAL INSTITUTE OF HEALTH AND MEDICAL SCIENCES, SHILLONG

THE MINISTER OF STATE IN THE MINISTRY OF HEALTH AND FAMILY WELFARE (SHRI A. RAJA): Sir, I move the following Motion :

"That in pursuance of sub-rule (b) of the rule 3 read with sub-rule (d) of rule 4 of the Rules of the North Eastern Indira Gandhi Regional Institute of Health and Medical Sciences, Shillong, this House do proceed to elect, in such manner as the Chairman may direct, one Member from among the members of the House, to be a member of the Governing Council of the North Eastern Indira Gandhi Regional Institute of Health and Medical Sciences, Shillong in the vacancy caused by the retirement of Shri Onward L. Nongtdu from the Membership of Rajya Sabha."

*The question was put and the motion was adopted.*

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## CALLING ATTENTION TO A MATTER OF URGENT PUBLIC IMPORTANCE

### Crisis in Plantation Sector and steps taken by Government in this regard

SHRI PRANAB MUKHERJEE (West Bengal): Sir, with your permission, I beg to call the attention of the Minister of Commerce and Industry to the crisis in the Plantation Sector, namely, tea, coffee, rubber, etc., and the steps taken by the Government in this regard.

THE MINISTER OF DISINVESTMENT, MINISTER OF DEVELOPMENT OF NORTH EASTERN REGION AND MINISTER OF COMMERCE AND INDUSTRY (SHRI ARUN SHOURIE): Sir, the Statement

is being circulated to the hon. Members. Sir, if you want, I will just mention some two or three important points from the Statement. Sir, the hon. Member is completely right in saying that the prices of commodities, which he has listed, like tea, rubber, coffee etc., have declined over the last two or three years. There are several reasons for this. I have given details of each of these commodities, like tea, coffee, rubber, etc. And the main reasons have been, firstly, developments in the international market. In the case of coffee, because of changes in the value of Brazilian and Zimbabwe currencies, - their currencies have been devalued by almost 50-60 per cent - - there has been a significant impact on coffee prices.

[THE VICE-CHAIRMAN (SHRI RAMA SHANKER KAUSHIK) in the Chair]

In the case of tea also, the prices have fallen by almost 26 per cent in 2000-2001. As far as coffee is concerned, at the moment, the Robusta price is 80 per cent below the peak level of 1995; similarly, for Arabica also , the prices have fallen. In the case of rubber, the hopeful feature is that the situation has started improving considerably..

**उपसभाध्यक्ष (श्री रमा शंकर कौशिक)** : मंत्री जी, आपको यह स्टेटमेंट पूरी पढनी है ।

**श्री अरुण शौरी** : पूरी पढनी है ?

**उपसभाध्यक्ष (श्री रमा शंकर कौशिक)**: जी हां ।

SHRI PRANAB MUKHERJEE: You have to read the whole statement, because that is the practice.

SHRI ARUN SHOURIE: I don't mind reading it, but it will take quite a bit of time.

SHRI PRANAB MUKHERJEE: But you have to read it. This Statement has just been circulated. So, you go on reading it, at the same time we will also go through it. That is the practice we have.

SHRI ARUN SHOURIE: Okay.

Sir, in recent years, the prices of commodities in the international markets are, generally, depressed, and this has had its effect upon the commodities produced and exported by India. The domestic price of commodities like coffee, tea, and natural rubber have a tendency to move

more or less in tandem with the international prices. One of the factors that has caused this fall in the international prices is that demand has not kept pace with the supply of these commodities.

The prices of tea, coffee and natural rubber have declined over the past few years. The international price of tea, after reaching a peak in 1997, registered a steady decline from 1999 onwards. There was a 26 per cent decline in the international price of tea in 2001, as compared to the peak level price of 189 cents per kg. in 1997. Though the domestic price of tea increased from Rs.67/- per kg in 1997 to Rs.76/- per kg in 1998, there has also been a steady decline in domestic prices of tea since 1999 onwards. The decline in international prices, coupled with problems like decreasing exports and low rate of growth in domestic demand, adversely affected the domestic prices of tea, which declined from Rs.72.79 per kg in 1999 to Rs.61.66 per kg in 2001. The average price for the first quarter of 2002 is Rs.47.62/- per kg.

Similarly, in the case of coffee, prices have been affected the most since 2000. The situation over the last two years remains unfavourable to the coffee growers, in India, as well as in major producing countries like Brazil, Columbia, Indonesia and countries in Africa. International prices of two coffees, namely, Arabica and Robusta, averaged 130 cents per kg and 53 cents per kg respectively, in 2001 -- these were about 80 per cent below the recent peak level price of 261 cents per kg in 1995 in respect of Robusta and 67 per cent below the peak level price of 359 cents per kg in 1997 for Arabica. The domestic prices of Arabica and Robusta coffee have declined from Rs.153/- per kg and Rs.76/- per kg in 1997 to Rs.72/- per kg and Rs.38/- per kg respectively, in October, 2002.

In the case of natural rubber, although the international situation was extremely unfavourable over the preceding four years, the situation has started improving considerably from the middle of 2002, with prices recovering in both domestic and international markets. While the present international price of natural rubber is around Rs.40/- per kg, the domestic price is around Rs.37.50/- per kg -- this compares with Rs.28/- per kg during 2001.

(MR. CHAIRMAN in the Chair)

Domestic and international prices are moving in tandem, and because of this development there is some relief amongst the growers of natural rubber.

The continuous fall in prices of tea and coffee, coupled with a high cost of production, has adversely affected the economy of the plantations, resulting in some tea and coffee plantations being abandoned or under lock-out in the States of Kerala, West Bengal and Assam. The State Governments are primarily responsible for the administration and implementation of the Plantation Labour Act and some State Governments like Kerala, have already taken steps to provide relief to the affected plantation workers. The Government of India have also taken up this matter with the concerned State Governments for intervention and providing necessary relief.

Sir, the Government of India is fully alive to the problems of these commodities, and a number of measures have been initiated to deal with the current price situation. Some of the steps taken (crop-wise) by the Government are :

**In regard to Tea:**

Basic customs duty on import of tea has been increased from 70 per cent to 100 per cent from 2002-03 onward.

Excise duty on tea has been brought down from Rs. 2 per kg. to Rs. 1 per kg. in the Budget of 2002-03.

The Reserve Bank of India had also announced a credit relief package in August, 2002, based on the Madhukar Committee Report providing for restructuring/rescheduling of the loans outstanding in the tea sector from the commercial banks. A review of the progress of implementation of this package has revealed that except for the UBI, implementation has been somewhat slow in regard to other commercial banks and the NABARD. In view of this, very shortly regional meetings will be held by the Tea Board to expedite implementation of this package.

A factory upgradation scheme has been implemented by the Tea Board to encourage production of good quality, orthodox and non-reconditioned CTC teas in the country.

Government has also provided financial incentives to the exporters of tea for meeting part of cost of handling, packaging, transport/freight charges.

A Quality Upgradation Programme is being implemented by the Tea Board for improving quality of tea manufactured by small growers in the country.

Due to sustained efforts under the Quality Upgradation Programme and the financial incentives given under the new Factory Upgradation Scheme of the Tea Board, several tea factories in the small sector have started producing good quality teas with the help of fine leaf procured from growers, who have started adopting the recommended cultural practices. Such teas have been fetching better prices of late, and this has also enabled small growers to realise better leaf prices.

In addition to the above measures, specific to the question of closed tea gardens, the Central Government under Section 16(B) of the Tea Act of 1953, proposes to appoint Expert Committees to make an in-depth study of these gardens in each State, and to suggest a package of measures for their viability and revival. This concerns, Sir, those estates which have been closed or are under lock-out.

Sir, on coffee, similar set of measures has been taken.

**Coffee:**

Term and crop loans of coffee growers have been restructured under a new relief package by consolidating these loans into a Special Coffee Term Loan (SCTL) with repayment period of 9-11 years, and repayment holiday of three years. The package includes grant of fresh loans, reduction of interest rate on SCTL by one per cent, deferment of interest due on SCTL during the current year to be recovered over the next three years, and so on.

A review of the progress of the Special Coffee Term Loan (SCTL) Restructuring was undertaken by the Department of Commerce on the 5th of December, 2002 with the Reserve Bank of India, commercial banks and the NABARD. The total eligible account-holders for SCTL for all commercial banks were 24,297 involving an amount of about Rs. 618.77 crore. Out of these, 8323 accounts have been rephrased involving an amount of Rs. 221.25 crore, representing a progress of roughly one-third of the outstandings.

As NABARD has not re-financed the co-operative sector for implementation of SCTL package, the progress under SCTL by co-operative banks has been negligible. The Coffee Board and the banks through their extension network are disseminating the information regarding the relief packages available to the coffee growers.

Sir, the Government of India is also providing five per cent interest relief to small growers on the working capital loans taken by them from financial institutions.

A package of financial incentives is being provided to encourage export of coffee and innovative marketing strategies in the international as well as the domestic markets to arrest the decline in exports and also to increase domestic consumption.

In the liberalised free market era, thrust is being given for increasing productivity of coffee and improving the quality of the produce to achieve competitiveness in the international market.

**Natural rubber:**

Financial incentives are being provided for export of natural rubber, as a result of which export of natural rubber has increased from 7,000 tonnes in 2001-02 to 32,000 tonnes during April-November, 2002.

For upgrading the quality of Technically Specified Rubber (TSR), the Government of India have approved a scheme for modernisation of TSR factories.

To curb surge in imports of natural rubber in the Quantitative Restrictions Free regime,

BIS standards on quality for natural rubber have been made applicable for imported rubber, as in the case of domestic natural rubber.

Kolkata and Visakhapatnam Ports are designated ports for all imports of natural rubber.

Recently, on the advice of the Government, the National Bank for Agricultural and Rural Development (NABARD) has also set up a "Plantation Industry Cell", for providing prompt attention to the credit- related problems of the plantation industry.

Programmes and schemes of the 10th Five-Year Plan have been formulated to ensure long-term development of the plantation sector. The Schemes are targeted at increasing productivity, technology upgradation, value addition, product diversification, besides improving the quality and marketability of these commodities. A medium term export strategy specific to each of these commodities is already under implementation.

**Price Stabilisation Fund:**

In addition to all these measures, the Government are also going to establish Price Stabilisation Fund for these commodities. The operational modalities of this Scheme have already been worked out by an Inter-Ministerial Committee and the scheme would be put in operation at the earliest.

SHRI PRANAB MUKHERJEE : Sir, I thank the hon. Minister for making an exhaustive statement on all the four items. I would like to confine my observations to tea; and my colleague, Shri K. Rahman Khan, will speak on coffee. Because of the expansion of the subject, I would request you that you may permit him to speak on coffee, which is also facing a similar problem.

Sir, while dealing with tea, the last suggestion which he has given, in addition to above specific measures is that as per the provisions under Section 16(b) of the Tea Plantation Act of 1953, he proposes to appoint an expert committee. Unfortunately, the situation is pretty serious. I would not like to go through all the list which I have, but would state that almost in every State, which is producing tea, a large number of gardens are facing problems. There are three categories of situations. One is that in certain gardens lock-outs have been declared. For example, in West Bengal, I have a list of ten gardens, where lock-outs have been declared. All these are from April to November. There are second category of gardens where formal lock-outs have not been declared, but the owners have simply fled and abandoned the gardens. For example, the Buxur group of gardens in

Doars have abandoned as many as seven gardens. One garden is being managed by the workers with whatever little support that they are getting. The third category is of those on which the Government will have to take a final view. In regard to gardens taken over by the TTCI from the private sector because of their sickness are being managed by them from early 90s, no final resolution of their problems has taken place. Similarly, in respect of certain tea gardens which are managed by the State-owned organisations in Assam and in West Bengal, they are also suffering and quite a few of them are closed and are not producing tea. This is the state of affairs in regard to the closure and abandoning of the gardens.

The hon. Minister has very elaborately talked about the international scenario for the last three years and how it has affected the domestic price also. Most respectfully, I would like to submit, Sir, through you, to the hon. Minister that, no doubt, international prices have their impact, but we have to take into account the factors, the hard facts. Now our average production, if I understand correctly, last year, was a little more than 850 million kilograms and our export was about 190 million kilograms. The figures may be corrected. I just got some figures from the Annual Report and thereafter I added the latest information, which we are having. But, if you look at the depression in the price, international price has come down from 179 Cents. There is a 26 per cent decline. But the domestic price has come down so sharply from Rs.72 per kg. to Rs.47 per kg. Therefore, the depressions in the international prices are not the sole reasons why the domestic tea plantation industries are suffering. To some extent, surplus would be available which could have gone to the export market. To that extent, the domestic prices can be depressed. There are certain other reasons in respect of which I would like to seek clarifications from the hon. Minister. Now, all the measures, which you have indicated, are in respect of the organised tea plantation areas. But a large number of unorganised small growers are there, who are planting tea in one hectares or two hectares. They are not running any factory, they are not subjected to any discipline. They are neither to meet the statutory obligations to their employees, nor are they running a regular factory. What are they doing? They are simply producing tea leaves, those tea leaves are purchased by somebody and thereafter it is being sold. As a result, in competition, the organised factories are finding it extremely difficult. How are you going to solve these problems? This is one major area, which we are finding. If my figures are correct, I visited those areas sometimes in last August and just,

at that point of time, a sub-committee of the Parliamentary Standing Committee on Commerce was also visiting that Doars area, where a large number of workers, more than 20,000 tea plantation workers, are on the road. There was no ration, no water, no electricity and no medicine because electricity bills were not being paid. The owners had simply run away. Therefore, it is a very pitiable condition. So, how are you going to resolve it? The second question, which I would like to know from the hon. Minister is this. You have indicated, in respect of tea a large number of measures, which are being initiated by the Government. It is correct that you have raised the customs duty. Here, I would like to submit that, especially, the Commerce Ministry will have to be much more prompt than they are because of the constantly changing situation. First, you change your basic customs duty from 35 per cent to 70 per cent, then from 70 per cent to 100 per cent. Now, you are fully aware of the production trend all over the world with the latest information technology available to you and you get a fair amount of idea about your own domestic production. Taking these two factors into account, I think, now the Commerce Ministry will have to make a constant exercise to find out what would be the appropriate level of import duty to protect the domestic industries, of course, within the purview of the WTO obligations by which we are bound. So far as tea, which is a processed product, the bound rate was fixed as high as 150 per cent. So in the interregnum period, there should not have been any problems, if we ourselves did not decide to put it at 35 per cent. That is the story of the past. Well, that is the story of the past. In regard to the excise duty, I would like to submit that on bulk tea, excise duty at the rate of rupee one per k.g. still continues. Of course, it does not come within the purview of the Commerce Minister. But, I would like to know from the hon. Commerce Minister whether he will suggest to the Finance Minister that keeping in view the current situation, excise duty on bulk tea at the rate of one rupee per k.g. can be suspended for some time, which will give them some relief.

The third point to which I would like to draw the attention of the hon. Minister is that under section 10, sub-section 30 of the Income-tax Act, tea gardens are exempted from the subsidies they receive from the Tea Board on re-plantation and rejuvenation. But, to obtain the tax exemption, a notification is to be issued by the Central Board of Direct Taxes. I am given to understand by the planters - I do not know whether it is correct or not- that in respect of re-plantation, this notification has been issued, but, in

regard to rejuvenation of bushes, this notification has not yet been issued. As per the programme of the Government, the concession is available. But, this has not been fully implemented. I would also like to draw the attention of the hon. Minister to Item No. 3 of the Package on tea which he has suggested. When you wanted to have a review of all the relief mechanisms and packages which you evolved to help the industry, it was found that except one commercial bank, that is, the UBI, no other banks have fully implemented it, and time is simply being wasted on it. You yourself have mentioned it. Therefore, the main issues which are arising, are related to the organised industry. But, for the number of growers who are in the unorganised sector, if you cannot bring them within the discipline, then, it will be very difficult for them to sustain themselves.

Another aspect to which I would like to draw the attention of the hon. Minister is that in the last para, you have suggested the establishment of a Price Stabilization Fund. It is good that you are going to establish a Price Stabilization Fund so that these commodities, depending on the level of their production, could be protected, and our growers could be protected. But, according to my information, in the early eighties, and even up to the mid-eighties, in the international community, we, especially from the developing countries, agitated on the establishment of the Common Fund. You have referred to Coffee, and said that due to sharp devaluation of the Brazilian dollar, the robusta price has been affected very seriously. Sometimes, an earthquake in Gautemala gives us a little advantage, and I remember very vividly, in one year, when I was the Commerce Minister, suddenly, a news came about earthquake in Brazil, and everybody felt unhappy. But, I am candidly admitting, Mr. Chairman, Sir, that I did not feel unhappy because I was having a serious problem in the indigenous coffee area. I thought that my coffee would be exported now because there would not be any competition from that country which was one of the most important coffee- producing countries. The moot point which I am trying to drive at is that you lay emphasis on establishing a similar Common Fund for the commodities, specially those commodities whose prices are fluctuating very sharply in the international market.

The last point on which I would like to have a clarification from the hon. Minister is this. I understand that according to the agreement with Sri Lanka, we are to import the Sri Lankan tea. I do not mind it, and when the qualitative restrictions have gone, now, every country can freely import tea

from other countries, and that is why you are suggesting that. If you find that 100 per cent customs duty is adequate, do it. If you find that it is to be adjusted upward or downward, you can do that.

But there too, you shall have to keep in mind that even if our total import, as per the projection of the Annual Report, is roughly 12 to 15 million kilograms over the year, my suggestion to the hon'ble Minister, through you, Sir, would be that while making your support measures to the domestic planters, you will have to take into account, which you normally do not do, as to what could be the likely impact in the given situation, what could be the international scenario and export possibilities and what could be the possibilities for the domestic consumption. If you calculate your relief measures and relief package, taking these three factors into account, perhaps it would help you to arrive at a situation where your schemes would be more effective, and can be implemented easily. Thank you, Mr. Chairman Sir, for giving me this opportunity.

**श्री सभापति** : मैं माननीय सदस्यों से एक निवेदन करना चाहूंगा कि कालिंग अटैंशन मोशन पर चर्चा लंच आवर तक पूरी कर लें और ज्यादा अच्छा होगा कि आप संक्षेप में जानकारी दें।

SHRI A. VIJAYA RAGHAVAN (Kerala) : Thank you, Mr. Chairman. Sir, I have just gone through the statement made by the hon. Minister. But, unfortunately, this statement has not given sufficient attention to the problems of the industry, the plantation sectors like rubber, coffee and tea. Actually, we are facing an unprecedented situation throughout the country. Sir, thousands of workers and farmers are engaged in this business. In the plantation sector, in Kerala alone, nearly ten gardens and ten factories have been closed; in West Bengal, 21 factories and plantations have been closed; in Assam and Tamil Nadu also, many factories and plantations have been closed. Because of this closure, nearly 65,000 workers have lost their jobs; 2500 in Assam, 25,000 in Kerala, and 35,000 in West Bengal. Also, a big downsizing is going on. Naturally, the Government has to give utmost attention to this matter. But unfortunately, nothing has been said in the Report; for example, suicide deaths have been taking place in Kerala; nearly half-a-dozen workers have committed suicide. No package for the workers who lost their employment has been announced so far. We have sufficient foodgrains in the godowns. Please, announce a relief measure of providing free ration for all the workers who lost their employment. No such thing has

been seen in the report. Sir, this is mainly because of the economic policy, mainly because of globalisation and WTO agreement. Sir, in Sri Lanka, tea prices are being stabilized. It was reported that in Sri Lanka, they experienced no more than a 0.39 per cent growth in tea prices even under such adverse circumstances, while Indian producers have tried to evade the option. He mentioned that it is because of the international situation. But this was not there in Sri Lanka, because the Government has intervened promptly. Of course, the international situation has its own impact here, but the Government's intervention should be there. But that was not reflected in this report.

MR. CHAIRMAN : This is enough, you have said much.

SHRI A. VIJAYA RAGHAVAN : Sir, recently, we had a discussion with the Russian President, mainly on the international issues and terrorism.

Actually, our tea market is related to Russia. One of the reasons for its failure is, we are following the Russian pattern. Have you discussed with the present Russian President anything relating to tea? Are you going to put more emphasis on the problems concerning the tea industry in the bilateral discussions?

Sir, rubber is an important issue. In my State, the rubber farmers are facing an acute problem. There is another problem. There is a default in the payment of provident fund. The big industrialists are misusing the opportunity and exploiting them. Another thing is, the small growers, especially in Nilgiri region in Tamil Nadu, are getting Rs.4.75 per kilo. The cost of production is Rs.8.80 per kg. The cost of production is very high. Something should be done in this regard. There should be a minimum support for the small growers. You have to fix it at Rs.10 or Rs.15 per kg. Some package should be announced for the small growers.

In West Bengal, there is a lot of devastation caused by floods etc. Something should be done in this regard. The recommendations given in the Fergusson Committee Report should be properly implemented. Nothing has been revealed in this statement. I hope the Minister will reply to this issue.

Sir, there is a verdict announced by the Bombay High Court with regard to import of natural rubber. From 1980 onwards, there was a ban on its import. Unfortunately, the Court verdict is there, but the Government has to go for appeal; otherwise, again, there will be import of natural rubber. Whatever little advantage, in the form of support price, is there won't be there. I hope the Minister will give us an assurance in this regard.

With regard to coffee also, there are a lot of problems. The Minister has mentioned the steps taken by the Government in this regard. The hon. Member, Shri Pranab Mukherjee, has already mentioned the problems being faced by the coffee growers; I do not want to go into the details. I want to raise only one issue. Whatever little help you have provided for the coffee growers, in the form of a tax waiver or a loan waiver, is not reaching the growers who have taken loan from the co - operative institutions. The Minister, himself, has mentioned about this problem in the statement. Something should be done for these growers. The growers who have taken loan from the Coffee Board as well as from other cooperative institutions should get the benefit of a loan waiver. Seventy five per cent of farmers are taking loans from these cooperative institutions, not from the commercial banks. Something should be done for them. I request the hon. Minister to take steps in this regard to ensure that the farmers who have taken loan from various cooperative institutions get the benefit of the loan waiver.

Sir, I want to raise an issue relating to the coffee growers. The whole industry is facing a difficult situation. We have brought the coffee growers under the income-tax net. In the year 2002-2003, they have come under the income-tax net. Something should be done in this regard. These growers should not come under the agricultural income-tax net. Whatever new decision was taken by the Income-tax Department should be withdrawn and the coffee growers should be brought out of the income-tax net. All the three Boards - the Coffee Board, the Tea Board and the Rubber Board- have to do something favourable for these growers, and also for the industry. These three Boards, in their present condition, cannot help the farmers and the poor sections. You have to look into the functioning of these Boards and provide adequate financial assistance to them so that they can also render help to the growers in this kind of a situation.

SHRI N. K. PREMACHANDRAN : Sir, I would like to seek certain clarifications from the hon. Minister regarding the present plight of plantation

workers and the plantation industry, as a whole. Sir, the crash of prices of these agricultural commodities, especially the plantation products, is an international phenomenon, particularly, in the third-world countries. It is happening because of the new policy being pursued throughout the world, and our country, a developing country, is affected in *toto*. As a result of this, the tea industry, the rubber industry, and also the coffee plantation sector, are adversely affected. So, I am not going into the details of all this; I am confining myself to the tea industry, which has been very seriously affected, particularly, in my State of Kerala. Sir, 13 tea gardens have already been abandoned by the plantation management, and 20,000 plantation workers do not have any job other than this plantation work. This is not the situation in Kerala only. In West Bengal, 10 tea gardens have already been abandoned; in Assam, even the Plantation Corporation, which is owned by the Assam State Tea Corporation, is being abandoned. So, the main focal point which has to be discussed is: Why is such a thing happening? There are so many reasons, but I am not going to the reasons because of the limitation of time. Sir, the main problem which is being stated by the plantation management is high cost of production. They say that because of the high cost of production, they are not able to meet the price of the tea. My point is: if appropriate modernisation of the tea industry, upgradation of the technology and diversification of all these things had been made in time, definitely, this crisis would not have come. What has happened is this. The plantation management and the plantation industry had earned a lot from this plantation industry. I know - I have visited this area last week - it has been mentioned by cited by Mr. Vijaya Raghvan also - not less than half of the persons committed suicide within a period of six months, because they have no other alternative, because their livelihood depends only on this. In the buildings they are staying, there is no electricity; there is no water; nothing is being provided by the management. Twenty thousand plantation workers are there in these 13 tea gardens in the District of Idduki, especially in the taluk of peerumedu. The statement says that the Government of Kerala has taken some measures, to give some relief to these workers. But how long can the State Government do it? So, my specific question to the Minister is: is not the abandonment of these tea estates and plantations not against the principles and rules of the Plantation Labour Act? I do agree when the Minister says that the Plantation Labour Act is a State subject, and the State has the prime responsibility to look after it. At the same time, Sir, it is also very specifically mentioned in the statement that under section 16B of the Tea

Act of 1953, the Government proposes to set up Expert Committees to make an in-depth study of the tea gardens. But some urgent measures to give some relief, have to be taken. I would also like to know whether interest-free loan could be given for the modernisation of this industry. Actually, what has happened is that all the profits earned by the plantation management have been diverted to the hotel industry, tourism industry and IT industry. Now, they are not able to meet the requirements of the labour force of this country. They have abandoned timely modification, modernisation, upgradation, re-plantation, etc. The resultant effect of this is that the poor workers have been adversely affected. Sir, the wages of these tea workers are very meagre, compared to what the workers get in other industries. Further, the education facilities and other amenities are being curtailed now. Now, the situation is such that - this is what I found when I visited these places - the women folk in this industry are forced to do some illegal acts so as to earn their livelihood. That is the plight of the plantation workers. Who is concerned with these plantation workers? Is it the State or the Centre? It is absolutely correct that the State Government of Kerala has issued free rations, and so many other things were given; the trade unions are there; voluntary organisations are there, but, for how long can they survive; for how long can they feed these 20,000 plantation workers who are facing poverty these days? That is the point. So, my humble submission to the Government of India is : Please look into the matter. I will appreciate an elaborate answer in regard to coffee, rubber and tea. I am happy that the hon. Minister has mentioned about the price stabilisation mechanism. It is the need of the hour. Definitely, an inter-Ministerial Group should check how the price stabilisation could be done. A very detailed explanation has been given by the hon. Minister. I do appreciate the hon. Minister. At the same time, I think, the inter-Ministerial Group study and the Tea Board study would take a lot of time. Therefore, I urge upon the Government of India, to declare, in the meanwhile, at least, some interim package of relief. When the reports of the inter-Ministerial Group and the Tea Board come, we will discuss them and see how the plantation industry could be revitalised. But, considering the present scenario, the present situation, in the plantation sector, especially, in the tea industry, the Government of India should come up with a package of some urgent relief measures. I urge upon the Government of India to declare some urgent relief measures for the poor workers in the plantation sector. With these words, I conclude. Thank you.

*SHRI R. KAMARAJ (Tamil Nadu): Mr. Chairman, Sir, we proudly keep saying that our country abounds in natural resources. But unfortunately we import agricultural produces from foreign countries even though our own farmers produce those crops. The import is going on as a result of liberalization. However, the import duty on these items has not been systematised. This is one of the reasons for the present crisis in the plantation sector. The continuous decline of central support to the agriculture sector is yet another reason for this crisis.

Sir, India stands first in the world in tea production. Out of the total tea produced world over, India accounts for about 29%. But the Indian share in the world tea trade is just 16%. I request the Hon. Minister to explain the reasons for this gap. About 1.1 million workers are directly employed in tea industry. About 50% of them are women and the majority of them belong to SC/ST and backward classes. In addition to this, about 10 million people are indirectly employed in this industry.

Coffee is grown in about 3.47 lakh hectares in our country. The southern States of Tamil Nadu, Kerala and Karnataka alone account for 3.17 lakh hectares. About 98 per cent of the coffee growers are small and marginal farmers with land holdings of less than 10 hectares. Coffee seed, which was sold at Rs. 9000 per quintal last year, is being sold at the rate of Rs. 7750 per quintal now. There is a steep fall in the price of coffee. To help coffee growers come out of this crisis, subsidies and grants should be given to coffee growers. And bonus should be given according to the production achieved.

Mr. Chairman, Sir, India ranks 4$^{th}$ in rubber production in the world. Rubber is grown in over 5.63 lakh hectares in our country. In Tamil Nadu, rubber is grown in 4,600 hectares in Nagercoil district by Tamil Nadu Arasu Rubber Corporation. Due to the fall in the domestic price of rubber, the rubber growers have been adversely affected. Plantation crops such as tea, coffee, rubber, cashew, arecanut and betel are grown in over 2,20,000

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* English translation of the original speech delivered in Tamil.

hectares in Tamil Nadu. The total production of these plantation crops accounts for 7,73,000 metric tons.

Nilgiris district in Tamil Nadu is a famous for tea gardens. But the tea growers and the plantation workers are facing a serious crisis today. This tea-dependent district is facing a steep fall in its whole economy. Because the green tea that was sold between 10 to 15 rupees per kg in 1998, declined to Rs. 6 in 1999, Rs.5 in 2000, Rs. 4.50 in 2001 and now it is sold for Rs. 5 per kg. Majority of small tea growers are in Tamil Nadu. In Nilgiris district alone there are about 65,000 small tea growers. Some 1,20,000 agricultural labourers depend on these plantations for their livelihood. The Tamil Nadu Tea Plantation Corporation also grows tea in about 4,500 hectares of land. This corporation has rehabilitated some 3000 Srilankan refugees in these plantations.

MR. CHAIRMAN: Hon. Member, your time is over. Please conclude in one minute.

*SHRI R. KAMARAJ: Yes, Sir, I will conclude. Sir, with a view to remove the hardship of tea growers, the Hon. Chief Minister of Tamil Nadu, Dr. Puratchi Thalaivi Amma has ordered that the tea be named as Ooty tea and sold through fair price shops. A target sale of 300 tons per month has been fixed and a sale of 280 tons per month has been reached. This tea is being sold in the neighbouring States as well. The Centre had given a subsidy of Rs. 2 per 1 kg of green tea between 1-5-2000 to 31.10.2000. That has been stopped and no subsidy is being given now. I request the Hon. Minister to tell the House as to why that subsidy has been withdrawn. The Government of Tamil Nadu has requested the Centre to fix the price of green tea at Rs.15 per kg.

MR. CHAIRMAN: Kindly finish.

* SHRI R. KAMARAJ: One more minute, Sir.

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* English translation of the original speech delivered in Tamil.

I request the Government to accept this demand also. The import duty on tea should be raised from 70 per cent to 150 per cent. This percentage has been agreed upon at the WTO also. The duty exemption being extended to the export oriented units on tea import should be completely removed. Only the tea grown and processed in India should be treated as Indian tea. The imported and then processed tea should not be known as Indian tea and should not be given duty exemption. Sir, the tea imported from Sri Lanka is levied only 7.5 per cent export duty. For import from other countries, the duty is much higher. This discrimination must go. Tea imported from Sri Lanka should also be levied the same duty like that of other countries. Otherwise, the tea industry in the South will be doomed. The Government of Tamil Nadu has sent a proposal to the Centre for setting up a Tea Auction Centre at Nilgiris. I appeal to the Hon. Minister to approve that proposal at the earliest. With these words I conclude. Thank you, Sir.

SHRI SHANKAR ROY CHOWDHURY (West Bengal): Mr. Chairman, Sir, at the beginning, I would like to compliment the Minister for the very exhaustive statement he has made. He has gone into great details about the various plantation crops. But, I just wish to make a few comments and make a few points. Firstly, I think the basic problem, the basic contradiction between cash crops and the other crops is the fact that though cash crops are agricultural produce, yet there is a differentiation between the plantation crops which are cash crops and other agricultural cash crops. The difference is that whereas the plantation crops like tea, coffee, rubber and the others which have been referred to here are subject to both income-tax as well as agricultural tax by the State -- This is a State subject -- sugar and cotton which are also cash crops are not subject to agricultural income tax. I do not know whether the Minister can alter the present system of taxation because this is at the root of the problem, financial problem of the plantation industry. I wonder what he can do about it. My second point is in regard to the WTO and the removal of quotas. The only answer to this is, have a very responsive and very proactive tariff system. The Minister is aware of this matter. I am sure, he would do what is required to be done to ensure that notwithstanding the globalisation and the free trade policies, which we have to follow, the national interests in respect of the plantation industry as well as the problems of our plantation workers are addressed by trying to keep as much of cheap imports of plantation crops out of the Indian market as possible.

I would like to make a few comments on coffee. Firstly, the Saptarishi Committee had recommended the establishment of a Coffee Price Stabilisation Fund of Rs. 500 crores. The report has already been published. But, unfortunately, this Fund does not appear to be in operation as yet. It should be expedited so that the plantation owners get a Minimum Support Price. The hon. Finance Minister and the hon. Defence Minister, when they visited Karnataka in September, 2002 made a statement -- gave an undertaking -- that the interest on loans would be waived for one year. But it has not yet been done. Thirdly, although the Special Coffee Term Loan is in operation, the coffee planters are facing problems in getting this loan. The problem is, if a coffee grower takes a loan, let us say, for three years, and if he wants the loan to be extended for a period of 10 or 11 years, as has been laid down, he has to get the documents of the estate which are held by the bank. These documents are not given back to him to enable him to process his loan further. Possibly, it is an administrative point. May I request the hon. Minister of Commerce and Industry in conjunction with the Minister of Finance to see if this issue can be dealt with?

Sir, chicory is an additive to coffee. It is -- I do not want to use the word 'imported' -- procured from Gujarat. Now coffee has been declared to be an industrial product because it is roasted and then processed further. Chicory has to go through the same process. But it is not an industrial product. It does not have the tax burden that coffee has got to carry. I would request the Minister to see if any way can be found to remove this anomaly.

Sir, the coffee growers, in addition to coffee, grow pepper as a subsidiary crop. We are given to understand that 13,000 tonnes of pepper is being imported from Vietnam without duty to be reprocessed, for value addition, into oleoresin oils. In actual fact, I am given to understand that out of 13,000 tonnes, only 5,000 tonnes of pepper which is imported, is actually reprocessed. The balance is sold in the market at cheap rates. As a result, the pepper which is grown as a subsidiary crop in the coffee estates, losses its market.

Lastly, as you are aware, Sir, there are certain important chemicals and fungicides which are required for the cultivation of coffee. These chemicals are imported at a very high duty from Germany. In order to help

**1.00 p.m.**

the plantation industry, especially the coffee industry, would the Minister see to it that the duty on import of fungicide is reduced? Thank you.

**श्री कैलाश जोशी** (मध्य प्रदेश) : माननीय सभापति महोदय, भारत में चाय, कॉफी और रबर का उद्योग इतना महत्वपूर्ण है कि यदि उसकी समस्याओं का समाधान कर दिया जाए तो यह हमारे देश मे विदेशी मुद्रा ...

**श्री सभापति** : कालिंग अटेंशन मोशन पर चर्चा खत्म होने तक लंच ऑवर ...**(व्यवधान)**...

SHRI PRANAB MUKHERJEE: Sir, we can finish this discussion and then adjourn for lunch. Or, we can even suspend lunch hour. We have no problem.

MR. CHAIRMAN: I would like the Members to complete this matter before lunch hour. I am requesting the House to ...*(Interruptions)*...

SHRI S.VIDUTHALAI VIRUMBI (Tamil Nadu) : We support it.

**श्री कैलाश जोशी** : महोदय, मैं यह कह रहा था कि हमारे देश में चाय, कॉफी और रबर का उद्योग इतना महत्वपूर्ण है कि यदि उसकी समस्याओं का समाधान कर दिया जाए तो यह हमारे देश के लिए विदेशी मुद्रा अर्जित करने में बहुत बड़ा योगदान दे सकता है । लेकिन पिछले तीन-चार वर्षों मे यह देखा गया है कि इस उद्योग में विभिन्न कारणों से नई-नई समस्याएं उत्पन्न हुई हैं ।

सबसे पहला प्रश्न तो है इसके मूल्यों का । मूल्यों में जो गिरावट आई है, उसके कारण उत्पादकों से लेकर चाय उद्योग तक उसका प्रभाव पड़ा है । यद्यपि अंतर्राष्ट्रीय स्तर पर भी मूल्य कुछ गिरे हैं किन्तु उसकी तुलना मे हमारे देश मे जो मूल्य गिरे हैं, वे उससे कहीं अधिक हैं और उनके लिए समाधान खोजना बहुत आवश्यक हो गया है । इसी के साथ-साथ इसका विपरीत प्रभाव हमारे चाय के निर्यात उद्योग पर भी पड़ा है । जैसा अभी यहां कहा गया कि चाय उद्योग का निर्यात में बहुत बड़ा योगदान था, यह योगदान पिछले कुछ वर्षों में कम हुआ है । तीसरा एक और प्रमुख प्रश्न यह है कि इन दोनों कारणों से उत्पन्न चाय उद्योग की जो स्थानीय समस्याएं हैं, उनके निराकरण की दिशा में भी प्रयास की बहुत बड़ी आवश्यकता है । यद्यपि उस दिशा में टी-बोर्ड ने और केन्द्र सरकार के हमारे वाणिज्य विभाग ने कुछ कदम भी उठाए हैं, किन्तु कुछ मामलों मे मैं ऐसे समझता हूं कि जिनके बारे में युद्ध-स्तर पर प्रयास किया जाना चाहिए था, उन प्रयासों में देरी हुई है, ढिलाई हुई है और एक प्रकार से उपेक्षा हुई है, यह भी कहा जा सकता है और उसके कारण समस्या विस्फोटक रूप धारण करती जा रही है । इस

वर्ष हमारे वाणिज्य विभाग की जो संसदीय स्थायी समिति है, उसने इन सारे प्लान्टेशन उद्योग के परीक्षण का काम प्रारम्भ किया था और उसके लिए हमने अपनी समिति की अलग-अलग उपसमितियां बनाकर सबको देश के विभिन्न स्थानों पर परीक्षण करने के लिए भेजा था । चाय उद्योग की दृष्टि से मैं स्वयं भी समिति के साथ पश्चिमी बंगाल, असम और केरल गया था और वहां पर हमने यह पाया कि जो कारण उत्पन्न होते जा रहे हैं, उन कारणों का समाधान करने की दिशा में अगर केन्द्र सरकार ने तत्काल कोई कदम नहीं उठाए और ठोस कदम नहीं उठाए, चाहे उसमें कुछ कड़ाई करने की आवश्यकता पड़े तो भी उसमें संकोच नहीं होना चाहिए, यह अगर हमने नही किया तो इसका बहुत प्रतिकूल प्रभाव पड़ेगा । अभी यहां भी कहा गया है, मैं अपनी आंखों से देखकर आया हूं कि कई जगह हमारे चाय बागान बंद हो चुके हैं, टी-फैक्टरियां बंद हो चुकी हैं । अब ये कैसे बंद की गई हैं, क्यों बंद की गई हैं, कोई उनके कारण नहीं हैं और उन फैक्टरियों के बंद हो जाने के कारण मजदूर आज बड़ी विपन्न परिस्थितियों में से गुजर रहा है । केरल मे मजदूरो की स्थिति के बारे में यहां भी बताया गया है और हम भी देखकर आए हैं कि केरल मे मजदूरो को जो अनाज दिया जाना चाहिए था, पर्याप्त मात्रा में उन्हे अनाज भी नहीं दिया जा रहा है । जो फैक्टरियां बंद हो गई हैं, जिन चाय बागानों में ताले लगा दिए गए हैं, वहां के मजदूरो को यह छूट दे दी गई है कि वे पत्ती तोड़कर बाट लीफ फैक्टरियों को बेच सकते हैं, लेकिन उनसे उन्हे पर्याप्त आमदनी मिल नहीं रही है और उनके बच्चों की पढ़ाई उसके कारण प्रभावित हुई है, उनकी आजीविका के सारे साधन समाप्त होते जा रहे हैं । यहां तक कि उन्हे जीपीएफ नही दिया जा रहा है, जो फैक्टरियां चल रही हैं वहां बोनस देने मे भी लापरवाही की जाती है और यदि इन कारणों का समाधान नहीं खोजा गया तो स्थिति विपन्न होगी इसमें कोई संदेह नही है । राज्य सरकार की भी इसमें जिम्मेदारी समिति ने पाई है । असम में भी राज्य सरकार की कुछ फैक्टरियां हैं, केरल में भी उनकी कुछ फैक्टरियां हैं, लेकिन दोनों जगह जिस प्रकार के कदम उन्हें उठाने चाहिए थे, उस प्रकार के कदम उन्होंने उठाए नहीं हैं । यहां पर उल्लेख भी किया गया है और मैं भी उससे पूरी तरह से सहमत हूं कि वहां पर इसको कृषि भी माना जाता है, उद्योग भी माना जाता है । सभापति महोदय, दोनों विभागों की ओर से इतने प्रकार के करारोपण राज्य सरकार ने कर रखे हैं कि उनके कारण चाय उद्योग पर दुष्प्रभाव पड़ रहा है । इसलिए इस दिशा मे भी कदम उठाए जाने आवश्यक हैं । यहां पर यह भी कहा गया कि एक्साइज़ ड्यूटी को दो रुपए से घटाकर एक रुपया कर दिया गया है । यहां यह सुझाव आया है कि कुछ समय के लिए इसको स्थगित कर दिया जाना चाहिए । मैं भी इस सुझाव से सहमत हूं क्योंकि जहां-जहां हम गए हैं, हमने चाय बागानो के मालिकों से भेंट की है, हम फैक्टरी मालिकों से मिले हैं, हम चाय निर्यातक संस्थानों से मिले हैं, हम मजदूरो से मिले हैं, हम छोटे चाय उत्पादकों से मिले हैं और इन सब लोगों से मिलकर समिति ने जो निष्कर्ष निकाला है, वह यह है कि कुछ समस्याएं ऐसी हैं जिनके तात्कालिक समाधान के लिए युद्ध स्तर पर प्रयास किए जाने चाहिए । यदि ऐसा नहीं किया गया तो हमारे देश का यह जो प्लांटेशन उद्योग है, जो अभी बुरी तरह चरमरा रहा है, इसकी स्थिति और भी खराब हो जाएगी । इसको रोकने के लिए अपने विभाग की ओर से माननीय मंत्री जी प्रयत्न करेंगे और जो रिपोर्टें उनके पास आ रही हैं, जो जानकारियां उनको प्राप्त हो रही हैं, उनके आधार पर शीघ्र ही प्रभावी कदम उठाए जाएंगे, मैं मंत्री जी से यही अपेक्षा करता हूं । धन्यवाद ।

SHRI H.K. JAVARE GOWDA (Karnataka): Sir, the prices of

plantation crops have fallen to a great extent during the last three years. As far as tea plantation is concerned, it is well known that the big companies are owning these plantations. But, in Southern States, there are a few medium farmers also who are growing tea. As far as coffee is concerned, 80 per cent of the total production of the country comes from Karnataka. We can classify the growers of coffee as large-scale planters, medium scale planters and small scale planters. And, it is the medium and the small-scale planters who are in large numbers. In the Western Ghat areas, there is no other crop grown except coffee. The coffee plantation also gives a lot of employment to people, and thus it has been a source of livelihood for these workers. And, subsidiary to coffee plantation is pepper and cardamom. Now, the problem is that the prices have fallen, while the cost of production has been high. A planter has to incur an expense of nearly Rs.40 for getting a kilo of coffee, but he gets back only Rs.24 per kg. And, almost all the coffee growers have borrowed money at a high rate of interest from banks and other financial institutions. When they are not able to repay the loan, the interest, which is charged quarterly, is also added to the principal amount. But these planters are not able to carry on with coffee plantation, and the net result is that the workers working in these fields are without job. Of course, the Government has announced a lot of measures in order to revive the coffee industry, but these are in no way helping the coffee growers in continuing with their coffee cultivation. And, the major hindrance in coffee cultivation has been the fall in price, and the fact that some of the exporters had exported bad quality and sub-standard coffee got us a bad name in the market. The second point is that when the market price is Rs.150 per kg., the traders are purchasing coffee at Rs.30-40 per kg. This also affects the growers badly. Now, recently, in the month of October, the Finance Minister visited Karnataka, and announced a package waiving off the interest on loans. But, the result is nowhere to be seen. Another thing is that the Minister, who is in charge of Commerce Ministry, is also the Minister of North-Eastern Region. I would like to draw the attention of the hon. Minister the Coffee Meeting held last month at Shillong, where the tribal people are now taking up coffee cultivation. But, if the price of coffee is going to be like this, definitely, there will not be any profit for these tribal people and, ultimately, they will give up coffee growing. It will adversely affect their getting into the mainstream of the country, their income will go down, and they will give up coffee cultivation, once and for all. Under these circumstances, I would like to suggest that even though 10 per cent of the GDP is earmarked for the development of the North-Eastern States, some

sort of subsidy or minimum support price, on par with the cost of production should be announced. Further, as the Saptarishi Committee has recommended, as rightly said by one of my colleagues, a Rs.500-crore fund is to be set up. But that has not come into effect. Now, regarding taxation, it seems, as if all the taxes are imposed only on plantation crops, without any rationale, without any thought of its result. Will such a thing promote the development of the coffee industry or the plantation? This has to be considered. The second important aspect of the matter is; cheap quality pepper from Vietnam and Indonesia is being imported and then it is being sent as Indian pepper to other countries. It is giving a bad name to us. The bad quality of the pepper is also one of the reasons for the fall in prices. The second point in this case is regarding tea. Under the Chairmanship of Ferguson, a Committee was set up, and he has submitted the report. The Government should accept the report and give effect to it, in order to save the 15 lakh workers and 12 lakh growers. As you know, the plantation crops are earning Rs.1,986 crores as foreign exchange. This is important because it is contributing to the national exchequer. I request the Commerce Ministry to come to the rescue of the plantation crops, the growers, the workers and also announce schemes and declare a moratorium of eleven years on the interest. I am not going to say that you waive the loans, but give them some sort of relief, to revive the industry and to help the workers. Thank you, Sir.

SHRI S. VIDUTHALAI VIRUMBI : Sir, the Calling Attention that is before us is very important, and the issue is a non-political one. From the hon. Minister's statement, it is clear that the recession in the global market from 1997 onwards has affected the market in the Indian sub-continent. Now, what have we done? How are we going to stabilise our market? That is the question before us.

Sir, I would like to remind the hon. Minister that we had taken four or five steps earlier, and what steps should be taken now. For example, the first was in the area of local tariff. If anybody imported tea for re-export purposes, there was a ban or a ceiling in the local market. What was being done previously was that 25 per cent of the produce could be sold in the open market by the producers; whether they were willing or not, producers were forced to send 75 per cent of the tea produced, to the auction halls. That condition had been removed. It was totally liberalised. In my State, it had been done. Eight per cent Sales Tax had been reduced to 4 per cent.

Four per cent C.S.T. had been reduced to 2 per cent. But, in spite of that, there has been a problem. Even during the last one year, the turnover of Coonoor tea auction during the first half of the year 2002, has fallen by 36 per cent. Between January and June this year, the volume of tea sold at the auction fell to 2.4 crore kg., from 3.6 crore kg. last year. But the average price was only Rs.36.86 per kg. against Rs.44.80 per kg. last year. Therefore, in 2002, it has been further affected, if you compare it with the situation in 2001. This is the situation. Sir, because of the time constraint, I would ask questions straightway. Sir, it involves the livelihood of nearly 44,000 people who have been thrown out of employment in India. Twenty-two thousand families are in the street. In South, nearly 12 lakh people are relying only on this...

MR. CHAIRMAN: You come to your questions.

SHRI S. VIDUTHALAI VIRUMBI: Sir, I am coming to questions. But, please be considerate. It is very important, Sir.

Ten lakh hectares of land is under cultivation. This year alone, we have lost Rs.915 crores in the whole of South, so far as tea, coffee, pepper, cardamom and other plantations are concerned. This is a grave situation. Now, you are giving excise duty refund for exports. But, this refund is actually being enjoyed by merchant exporters. I want to know how we are going to rectify this anomaly. Some hon. Members mentioned about excise duty exemption. Take the case of sauce, juice, pickles; in the name of common use, these items have been given excise duty exemption. Then, why can't you give the same exemption in the case of tea and coffee also? You may have to lose a maximum of Rs.13.8 crores, but it will give livelihood to nearly 12 lakh people who are going to be provided shelter under this scheme.

I come to duty free import. Here, there is a problem. When I go in for duty free import, there should be a value addition. According to our information, it has not so far benefited our economy. Therefore, I suggest that a minimum value addition in this case should be prescribed, and it should be equivalent to the rate of import duty. If there is no minimum value addition prescribed, then it is a lacuna, and ultimately it is the nation which suffers. Therefore, I want to know whether the hon. Minister will prescribe a minimum value addition which is equivalent to the rate of import duty.

My next point is about leaf price fixation and Price Stabilisation Fund. Sir, Price Stabilisation Fund is a very good thing. But, at the same time, what is happening in the market is that there is a cartel system being operated by the buyers. They are exploiting the masses. I want to know how you are fixing the price for rice, how you are fixing the price for wheat. I would like to know whether the Government would come forward to fix the minimum support price for tea, coffee and other items as such. This is very important.

My next point is whether you have got any programme to give subsidy to reduce the input cost, because the realisation is less and the cost is increasing. What is your opinion regarding reduction of subsidy?

Then, so far as the financial, managerial and technical status is concerned, small growers are suffering. Have you got any programme to upgrade their financial, managerial and technical status? If there is no programme, will you come forward to do something for the small growers? Unless you do it, the people of Tamil Nadu, Karnataka and other Southern States will continue to suffer. And, please do not compare our situation with that of the North-East. There, it is a different situation.

I hope the hon. Minister will respond to the questions I have put. I would like to know this from the hon. Minister. Unless you do so, the people--particularly in Kerala, Tamil Nadu, Karnataka and from other States--would suffer more and more. Please don't compare them with the North-East. There is a particular situation and here is a different situation. Therefore, I request, the Minister to look into these important questions. I hope, the hon. Minister will respond to these.

SHRI K. RAHMAN KHAN (Karnataka): Mr. Chairman, Sir, the coffee industry, particularly in my State, Karnataka--which produces almost eighty per cent of coffee production--is in a pathetic condition and all the planters are suffering. As the Minister has rightly said in his statement, from the year 2000, the international prices have been falling. As a result, for the last two years, the planters are unable to recoup their costs.

Very recently, as late as on 5th December, the Government has come out with a specific package for various plantation industries. I would

particularly come to the coffee industry. Now the prices have fallen by more than 140 per cent of the prices prevailing in 1999.

MR. CHAIRMAN: Hon. Member, this House wants to hear something new from you. These things have come up before.

SHRI K. RAHMAN KHAN: Sir, I am only seeking certain clarifications on the Statement of the hon. Minister, on the package which he has brought out. No doubt, the Government has come out with the package, but this package is not going to revive the industry; because, for the last two years, the price realised by the coffee growers is far ano far less than what they had been realising. They are, already, in the debt trap.

The demand of the plantation owners, or the coffee growers, is that, at least, the interest on loan should be waived, as had been promised to them. But, in this package, it is only a deferment of the interest payment. Another issue is, most of the borrowers are from the cooperative sector. The Special Coffee Term Loan should be extended to the cooperative sector also.

MR. CHAIRMAN: This point has already been raised by so many Members.

SHRI K. RAHMAN KHAN: Sir, no doubt, there is a repetition; I would confine myself to only two-three points.

**श्री संघ प्रिय गौतम** (उत्तरांचल): कॉफी के बारे में कहा गया था ।

**श्री के.रहमान खान** : मैं पूरा कॉफी के बारे में ही बता रहा हूं । I am confining myself to coffee.

**श्री सभापति** : मेन समस्या क्या है कि जो लोग बोल चुके हैं, वे सब चले गये हैं । सब लोग बोल-बोलकर चले जाते हैं । यह अच्छी बात नही है । अभी आप भी बोलकर जाने वाले हैं इसलिए ज़रा जल्दी करिए ।

SHRI K. RAHMAN KHAN: What is the package on the financial incentive that was to be provided for encouraging exports of coffee? We would like to know what financial package is there for exports. That itself is not announced.

Lastly, as far as the Price Stabilisation Fund is concerned, it is only a Rs.500 crores fund, and that is not sufficient. The suggestion of the Coffee Growers' Association is, it should be, at least, of about Rs.1000 crores. They have also suggested, in addition to maintaining this fund, the interest, which would be accumulated from this fund, be used for the purpose of price stabilisation.

SHRI RAVULA CHANDRA SEKAR REDDY (Andhra Pradesh): Mr. Chairman, Sir, I would like to thank the hon. Minister for going into the details. ...*(Interruptions)*... Sir, I will put specific questions. It is a very detailed statement. Sir, the hon. Minister is proposing to appoint an expert committee. I would like to know the composition of this committee and whether anybody will be there from the growers' side to highlight their grievances. My second clarification on the incentives to the growers for encouraging export of coffee. I would like to know whether you are contemplating to review the taxation as of now. This is another clarification. I would also like to thank the hon. Minister for designating Kolkata and Visakhapatnam, which is a part of Andhra Pradesh, for importing natural rubber. Finally, Sir, I would like to know from the hon. Minister the thinking of the Government with regard to the gardens which have been locked out and abandoned. What exactly is the amount you are proposing to earmark for the Price Stabilisation Fund because the growers of commercial crops like coffee, tea, rubber, etc. are in distress, more particularly in Visakhapatnam and East Godavari Districts? With the help of the Forest Development Corporation we have plantation, both in public sector and private sector, in Andhra Pradesh also. Once again, I thank the hon. Minister for his detailed statement.

SHRI DRUPUD BORGOHAIN (Assam): Sir, there is a crisis in plantation sector. What are the causes for this? To my mind, the first point is regarding the free trade position. If the Government takes the free trade position, then it will not solve the problem. That is the basic point. I think the export business is dwindling now a days. As far as competition with other countries is concerned, we are failing in that. We must also discuss this point thoroughly. If we pump some money or if we give some subsidy then it cannot survive. We should think of some measures with regard to the export policy of the Government. After the lifting of the Quantitative Restrictions by the WTO, some difficulties have arisen. That is a very important point. I think the Government should take it seriously and think

over the matter. That is one point. The second point is regarding tea. Sir, I am from Assam which produces about 60 per cent tea of the country. More than 700 tea gardens are there. But the plight of the workers is very horrible. A worker gets only Rs.49 per day. On Sundays workers do not get any wage. Such type of difficulties are there. I have seen tea gardens which were exporting tea and earning a lot of foreign exchange. But now a days, they are finding it very difficult. I have talked to some of the managers and proprietors of these tea gardens. They have told me about certain difficulties being faced by tea gardens. They are facing the problem of lockouts. Some other difficulties are also there. Workers are finding it very difficult to get their jobs. They are losing their jobs. This problem is also there. But the most important point is that in the last two or three years, the quality of tea has gone down and it is very bad. Russia which was the largest customer of our tea now a days refuses to accept our tea. What has happened? I would request the Minister to look into this matter and find out whether the tea, which was being exported to Russia, was really of bad quality as a result of which Russia refused to give us new orders. Is it so? If it is so, then who is responsible for this? What is our Commerce Ministry doing? These questions must be taken into consideration. With regard to coffee, my friend, Shri Javare Gowda, has already said that the export quality of coffee is bad and, because of that, the export of coffee is dwindling. The export quality of tea is bad and, because of that, the export of tea is dwindling. Is it a fact? If it is a fact, then somebody is responsible. I would like to know as to what action the Ministry has taken in this respect. I request the hon. Minister to look into these points which I have raised. Thank you.

SHRI ARUN SHOURIE: Sir, we have had the most constructive exchange on this matter. As a newcomer, I have, naturally, learnt a great deal from the expert knowledge that many of our colleagues have on plantation and so on. I completely agree with the points that have been raised that even when we rush for IT, biotechnology and new industries, we must pay adequate attention to our traditional industries, specially, textiles and plantation, in which lakhs and lakhs of people are employed.

The second thing is, as I said in my statement, some exception has been taken to the fact that the implementation of the Plantation Labour Act is a State Subject. It is not my intention to pass on any blame. Actually, I greatly commend the Government of Kerala that it has taken

steps, for instance, in distributing free rice to our plantation labour and, in that, all of us have to work together. You are right that the godowns of the Centre are filled with wheat and rice and we should be able to make full use of them in assisting labour. I will personally look into it. But there are schemes which the State Governments themselves have to implement, so as to utilise the amount that has been given by the Centre in regard to foodgrains and other things. On many specific points, which have been raises, since the time is short, I submit that I will send individual replied to the hon. Members. I will also pass on the suggestions that have been made, for instance, in regard to anomalies -- as has also been pointed out by Shri Javare Gowda -- in the Income Tax Act or even on excise collections, whether it is chicory versus coffee or plantation labourers versus others, to the hon. Finance Minister. And, if, with the sense of the House, he can waive even that Re. 1 excise duty and thereby forego an amount of Rs. 117 crores, naturally, I would be very happy. But, each of us, who make such suggestions, should also suggest what other expenditure should be cut. Even when the Government servants are reduced in number, all of us start agitating as to why are we reducing the number of servants and so on. So, I will pass on the suggestions made. Now, I will just touch four important points.

The first point is that the Government is completely cognizant of the problem that has come about, because of the closure of gardens and estates. My figures differ from some others. And, there is lesson in that. So, if you just permit me, I would, just, like to mention this. Sir, in Tamil Nadu, the number of estates is 224, and none of them is locked out or closed. I will come to that as to why none of them is closed. There is a reason behind it. In Karnataka, 22 tea estates are there and none of them is closed down. In West Bengal, of the 304 estates, 17 are either locked out or abandoned or closed down. In Kerala, of the 153 estates, 11 are abandoned or closed down. In Tripura, out of 54 estates, 3 are closed down. And, in Assam, out of 768 tea estates, 18 have been closed down. The central point in this was very well explained by Shri Drupad Borgohain with his intimate knowledge that unless the estates and plantations are competitive, we go on to face these problems and, in the end, no Government -- Central or State -- can do anything. Shri Pranab Babu knows very well about the financial condition of the Centre and the States and, in the end, it will not be possible to go on giving the first aid of the kinds that have been given during the last four years. I am not saying that

they should not be given. I will be pleading with the Finance Minister and with the banks to give more. But, in the end, we must see that we must adopt a work culture and competitiveness. If I am going to increase wages, if I am going to have a work culture in which workers and factory managers are not disciplined, then, in the end, no kind of artificial measures will keep these alive. On the expert study, as I said, I reviewed the method, just a few days ago. We decided that under the provisions of section 16, we must immediately attend to the problem, because, as Mr. Mukherjee pointed out, in many cases workers themselves are now plucking the leaves, and trying to send them to some small tea processors.

A question was, just now, raised about the composition -- whether growers would be included in the Committee or not. I think, we should just go for experts who have the knowledge -- not of different interest groups, not a representation, and so on -- so that within fifteen days to one month they survey the closed gardens, which is my aim, and come out, not just with a scheme which requires more resources from the Government, but come out with a bankable scheme, which will actually revive those gardens and put them on strong footing.

Sir, this is a changed world. Many hon. Members talked about Russia. What has happened to the trade in Russia? It so happened that now the tea trade, as the coffee trade, as the tobacco trade -- Russia was also one of our principal markets for tobacco -- in Russia also is in private hands. However, we now have a scheme to spend Rs. 5 crores on publicity campaign in Russia to popularise Indian tea. But you cannot force anybody to buy our products. The same thing happened in the case of tobacco also. In Russia, four multinational giants of tobacco have come in. They are now taking tobacco leaves from their own plantations in Zimbabwe and Brazil. Therefore, we will really have to out-compete them, and thereby we would be able to survive. For that reason, Sir, several important works have been done.

Reference was made to the Fergusson Report. Actually, Fergusson is not a person, but it is a consultancy agency. That report is on auction systems -- how to improve auction rules; what changes to be brought about. It was received in July, and I would certainly strive to get operational steps taken in pursuance of those suggestions that have been made.

Mr. Mukherjee was right that we must be much more prompt in reacting to the changing international situation, and thereby adjust our duty rates. The bound rate in the case of tea is 150 per cent. Today, we have 100 per cent. So, I would certainly take it up with the Finance Minister. It is one of the achievements -- with which all of us must be satisfied -- that, during the last three years, the anti-dumping mechanism in India has really been strengthened. I myself was very greatly pleased that in the bi-annual report of the WTO and in the report of the IMF, India is the only country that has the most expeditious anti-dumping mechanism, now. We have taken up the largest number of anti-dumping cases. We have imposed it in the case of 141 items, and 61 of them happen to be from China. We are further taking steps in this direction. But there are steps, where, I feel, all of us must cooperate to be more prompt. I would give one example because there is not much time. Under the WTO rules, as you know, it is not only anti-dumping duties that we can impose, but we can also impose duties for safeguard. Even if the other exporter is not dumping any item in India, but our industry is endangered by a sudden surge of imports, we can take safeguard measures. We can even impose quantitative restrictions in that regard. But a Bill to amend the Foreign Trade Regulation and Development Act, which would empower the Government to do this, has been going around for four years. I think, we all need to cooperate so that legislation comes about quickly, and we can immediately take the required steps.

Sir, another general problem that Mr. Mukherjee and General Roy Chowdhury pointed out was that a notification on re-plantations had been issued, but not on rejuvenation. This, again, illustrates a general problem. I was very surprised to learn that a notification on export-import policy is announced on 31$^{st}$ March, it comes into effect on 1$^{st}$ April. But our system is such that notifications don't come for several months. Earlier, a question was raised about the Special Economic Zones, but its notification has not come till today. It has nothing to do with one Ministry or the other, or with one Government or the other; our system has become like that. Sir, I had a meeting with the Finance Minister, and with all the concerned Ministers also. The Finance Minister was very emphatic that this problem of pending notifications must be solved in this week. He also directed the Chairman, CBEC, as well as the Secretary (Revenue) and the Secretary (Commerce), to sit together and solve this problem. In future, every effort would be made to issue notifications, simultaneously, along with the announcement of the

Export/Import Policy. For that reason, both of us agreed that we would not propose a change in that till we discuss it thoroughly with the officials of the Finance Ministry. We also agreed that we would provide a draft of the notification to them, so that they could improve upon it, if they accept that suggestion.

Sir, on the question of rejuvenation and replantation, I will personally take it up with him.

On the price Stabilization Fund, I think there is a slight misapprehension. It is there not only for coffee, but it is there for all these plantation crops, that have been mentioned here. My colleague, Mr. Saptarishi, in the Ministry of Commerce had headed an expert committee on this. Two Members have said that the Fund has not been put into operation. The Report of this Fund was made available to me only on the 30th November. But the draft Cabinet Note is ready, and I do hope, it is a contributory fund, we would be able to proceed further. As our resources improve, naturally, the Fund should enlarge.

Sir, I would explain only two points now. The other points which I cannot take up now, I will send information to the Members after looking at the record.

Sir, sometimes, we imagine the figures. For instance, today, three Members had drawn my attention towards import of tea from Sri Lanka. The fact of the matter is that a minuscule amount has been brought in. I had mentioned this in answers to unstarred and other questions raised in this House. The Free Trade Agreement with Sri Lanka is important for many other reasons also. There is a misapprehension that Sri Lanka can export to India, 15 million kilograms of tea. And, actually, Sir, only 46 million kilograms were brought in. In the previous year, only 31 million kilograms were brought in. This tea is re-exported. Ninety-five per cent of the tea that is imported is for re-exports.

Mr. Virumbi has made a very important point about minimum value addition. He wanted to know whether it is related to the import duty or not. At the moment, the position is that - the value addition has to be positive - it is not related to the import duty on it. But, it is a very fine and sophisticated suggestion, and I will, certainly, take it up with my colleagues.

Shri Shankar Roy Chowdhury, raised some points about coffee. I will furnish the information to him personally because there are details of the taxation system in it.

Similarly, about pepper a query was raised whether the imports from Vietnam were being camouflaged and sold as Indian pepper, and, then, re-exported. I don't know why anybody would want to do that. But, I would, certainly, examine these matters.

Sir, if you want me to go through these things like, Chicory and all that, I will do that.

At the end, I would like to mention only two points, and this is my plea to everyone. We keep using these words, like globalisation; and we keep terrorising and frightening ourselves about the new regime and what it is doing to India. But this is a new world, and we must use that as an opportunity; as a timetable for improving our ways as other countries, like China, have done. China had to strive for ten years to become a member of the WTO. And, then, in the last four years, they used it as a timetable for implementing reforms. But, if we just go on frightening each other about it, we will lose the opportunity of doing this. So, we should, sometimes, discuss WTO. Now that I am studying it, I feel that we should, as a House, discuss the opportunities that it presents and the obligations that it imposes, rather than my going on saying, Mr. Mukherjee signed the Agreement in Marrakesh, or, somebody else saying that I am going to sell the country, and so on.

Finally, Sir, on the question of resources, whenever we discuss a particular issue, we always want more resources under that particular heading. We say that minimum support price should be there for these crops also, and that there should be subsidy for tea, coffee, etc.Mr. Virumbi was saying this.

But, Sir, we must look at the whole thing. Then, each one of us would be able to do well. I think, JP, in his movement, used to have a rule that if a good suggestion is given by somebody, it must be implemented. ...*(Interruptions)*.. Just one second. I will end with just one sentence. I think that when we suggest to incur more expenditure, we should also mention what we will support for cutting, or imposing additional taxes, or mobilising

resources, etc. Sir, these are very good suggestions. I will, certainly, work on them, and get back to the House. Thank you ...*(Interruptions)*...

MR. CHAIRMAN: There is an arrangement for coffee in the Central Hall.

SHRI PRANAB MUKHERJEE: Mr. Chairman, Sir, I would like to give one suggestion to the hon. Minister. I entirely agree with him and I am happy that he is trying to resolve the problem of delay in notification. Practically, you can examine it. It is mainly the revenue people who make a complaint that because of your interpretation of the notifications, they are getting less revenue. Since this matter is discussed at the Secretary level, I would like to suggest that when the notifications are actually issued, they should be vetted by both the Revenue Secretary and the Directorate General of Foreign Trade (DGFT), so that there is no scope for ambiguous interpretation at the Customs Collectors' level, or at the level down below. Once this is done, a lot of time can be saved. You can examine it.

SHRI ARUN SHOURIE: Sir, it is a very important suggestion. I will put both the things on the Website, the item that wasn't there, whether the notification has come or not, and what is the exact date.

SHRI N.K. PREMACHANDRAN: Sir, ...*(Interruptions)*...

SHRI S. VIDUTHALAI VIRUMBI: Sir, ...*(Interruptions)*...

**श्री सभापति** : सदन की कार्यवाही भोजनावकाश के लिए 2.30 बजे तक स्थगित की जाती है ।

The House then adjourned for lunch at forty-six minutes past one of the clock.

The House re-assembled after lunch at thirty-three minutes past two of the clock,